

Amendment No. 1 to SB2282

Bailey
Signature of Sponsor

AMEND Senate Bill No. 2282

House Bill No. 2346*

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 51, is amended by adding the following as a new part:

7-51-2201.

As used in this part, "utility" means:

- (1) An entity subject to the jurisdiction of the water and wastewater financing board in accordance with § 68-221-1008;
- (2) An entity subject to the jurisdiction of the utility management review board in accordance with § 7-82-701;
- (3) A cooperative, as defined in § 65-25-102; or
- (4) A county-owned or municipal-owned utility that provides electric, natural gas, or propane services to the public.

7-51-2202.

(a) By July 1, 2023, or within one (1) year after a utility is formed, whichever is later, a utility shall prepare and implement a cyber security plan to provide for the protection of the utility's facilities from unauthorized use, alteration, ransom, or destruction of electronic data.

(b) A utility shall assess and update the cyber security plan implemented pursuant to this section every two (2) years to address new threats.

7-51-2203.

(a) Each year, the comptroller of the treasury, or the comptroller's designee, shall verify that a utility has implemented a cyber security plan in accordance with this part.

(b) If a utility:

(1) As defined in § 7-51-2201(1), has not implemented or updated a cyber security plan within the timeframe required by § 7-51-2022, then the comptroller of the treasury, or the comptroller's designee, shall refer the utility to the water and wastewater financing board to order reasonable sanctions against the utility;

(2) As defined in § 7-51-2201(2), has not implemented or updated a cyber security plan within the timeframe required by § 7-51-2022, then the comptroller of the treasury, or the comptroller's designee, shall refer the utility to the utility management review board to order reasonable sanctions against the utility; or

(3) As described in § 7-51-2201(3) or (4), has not implemented or updated a cyber security plan within the timeframe required by § 7-51-2022, then the comptroller of the treasury, or the comptroller's designee, shall impose reasonable sanctions against the utility.

7-51-2204.

The comptroller of the treasury shall enforce this part and may promulgate rules necessary to effectuate this part. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

7-51-2205.

The comptroller of the treasury shall submit a report to the chair of the commerce committee of the house of representatives, the chair of the commerce and labor committee of the senate, the department of safety, and the legislative librarian on the first Monday of February each year regarding compliance with this part. The report must

include, at a minimum, information on the utilities that have failed to comply with this part.

SECTION 2. Tennessee Code Annotated, Title 65, Chapter 4, Part 1, is amended by adding the following as a new section:

(a) As used in this section:

(1) "Commission" means the Tennessee public utilities commission; and

(2) "Utility" means a public utility that provides electric, water, wastewater, or natural gas services.

(b)

(1) By July 1, 2023, or within one (1) year after a utility is formed, whichever is later, a utility shall prepare and implement a cyber security plan to provide for the protection of the utility's facilities from unauthorized use, alteration, ransom, or destruction of electronic data. The utility shall annually submit documentation of the utility's compliance with this section to the commission by July 1.

(2) The documentation required by this section must be made in writing and under oath by the chief executive officer, president, or other person with an equivalent role of the utility.

(c) A utility shall assess and update the cyber security plan implemented pursuant to this section no less frequently than once every two (2) years to address new threats.

(d) A utility that fails to comply with this section is subject to reasonable sanctions ordered by the commission as described in rule. The fees collected from civil penalties under this section must be remitted to the commission for enforcement of this section.

(e) The commission shall enforce this section and may promulgate rules necessary to effectuate this section. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(f) The commission shall include with the annual report required under § 65-1-111, a separate report regarding compliance with this section to the chair of the commerce committee of the house of representatives, the chair of the commerce and labor committee of the senate, the department of safety, and the legislative librarian. The report must include, at a minimum, information on the utilities that have failed to comply with this section.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.